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UniSource ordered to drop surcharge on natural gas

KINGMAN (AP) — The Arizona Corporation Commission has ordered UniSource Energy Services to eliminate a surcharge that has contributed to increases in natural gas bills.

The surcharge will be removed Oct. 31.

"I realize most of the high winter usage has already occurred for this season and we do not want people to have the same experiences next winter," Commission Chairman Mark Spitzer said.

The commission granted the surcharge to Citizens Arizona Gas so the company could offset an increase in wholesale gas costs during the winter of 2000-01. Citizens was acquired by UniSource in August.

The company, which serves customers in northern Arizona, was allowed to keep the surcharge until it recovered \$37 million in increased wholesale gas costs.

The combination of the sur-

charge, a 21-percent increase in the base rate and continued increases in wholesale natural gas prices increased gas bills to about 50 percent this winter.

Too many UniSource Energy Systems customers were startled by the increases, ACC Commissioner Jeff Hatch-Miller said.

"We have ordered UniSource to launch an extensive outreach program in late summer to let customers know what is coming," he said.

The company is expected to make the customers aware of all that can be done by users to decrease the use of gas and lower heating bills next winter.

Hatch-Miller said that wholesale natural gas prices are expected to remain high and that the commission is trying to do something about the supply of gas to Arizona.

"It would take a national energy policy for the long term, and we are urging Congress to do something," he said.